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October 10, 2014

Judge Steven Rhodes
U.S. Bankruptcy Court
211 W. Fort Street
Detroit, MI 48226

re: 13-53846

Dear Judge Rhodes,

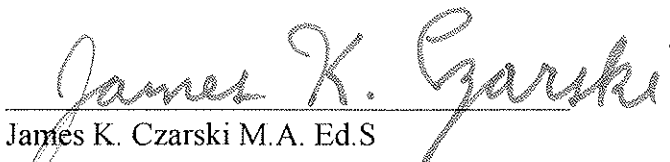
The credibility of the city of Detroit as a borrower from State and Federal funds is in jeopardy. State legislation calls for Citizens' District Council (CDC) representation in the redevelopment of their communities. Kevin Orr's decision to strike out this section of city ordinance disqualifies the city from certain types of funding and it renders others questionable to financiers.

Citizens' District Councils were established under Michigan-Public **Act 344** of 1945. According to Sec. 4.(1) the plans, statements, and actions of a municipality (Detroit) to exercise the powers granted by this act **require** the participation of the local **Citizens' District Council**.

Among these powers are the acquisition of, improvement of, and the disposal of real property. The act also describes the method of financing the exercise of these powers. Section 125.78 discusses loans, grants, and issuance of bonds or notes. It says a municipality may include conditions in the undertaking or carrying out of a project which are **not inconsistent** with the purposes of this act. The termination of Citizens' District Councils is contrary to the intent and purpose of Act 344.

Therefore Emergency Manger Order No. 36 ORDER TO REPEAL CHAPTER 14, ARTICLE VI OF THE 1984 DETROIT CITY CODE jeopardizes the ability of the city of Detroit to finance blighted area rehabilitation. The termination of Detroit CDC's creates uncertainty as to the legitimacy of bond issues and other financing.

If resolution of the bankruptcy trial is to stabilize financial markets for city of Detroit municipal funds this uncertainty needs to be removed. As part of your decision I recommend requiring the reinstatement of Detroit Citizens' District Councils.


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